

Doc# 5593

APPROVED
7/28/93

Text Amendment Application No.
Boston Redevelopment Authority
Article 26C: Development Impact
Projects - Community Health Center
Capital Improvements

TO THE ZONING COMMISSION OF THE CITY OF BOSTON:

The Boston Redevelopment Authority petitions to amend the text of the Boston Zoning Code, as established under Chapter 665 of the Acts of 1956 as amended, as follows:

By inserting, after Article 26B, the following article:

ARTICLE 26C

DEVELOPMENT IMPACT PROJECTS - COMMUNITY HEALTH CENTER CAPITAL IMPROVEMENTS

SECTION 26C-1. Statement of Purpose. The purpose of this article is to promote the public health, safety, convenience and welfare and to mitigate the adverse impacts of new large-scale Institutional Use projects on the viability of community health care centers and the quality of care they are able to offer. This article is designed to:

1. Afford review and to regulate large-scale institutional real estate development projects that directly or indirectly contribute to an increased demand for the services provided by community health care centers, and increased cost of maintaining and improving such centers.
2. Increase the opportunities for making capital improvements to community health center facilities by requiring developers, as a condition of the grant of deviations from the Zoning Code or the grant of an amendment to the zoning map or text, to make a development impact payment to the Community Health Center Capital Improvements Trust.

SECTION 26C-2. Definitions.

1. "Community Health Center Capital Improvements Contribution Grant", the payment of a sum of money by the Project applicant, for which a formula for payment is set forth in Section 26C-3(1)(a), to or for the exclusive benefit of the Community Health Center Capital Improvements Trust.
 - a. The Community Health Center Capital Improvements Contribution Grant shall be made to the Community Health Center Capital

Improvements Trust in twelve (12) equal annual installments, the first installment due upon the issuance of a certificate of occupancy for the Project building or twenty-four (24) months after the granting of the building permit, whichever comes first; provided, however, that for any Development Impact Project located in an area lying within the boundaries set forth in Appendix A to this article, the Community Health Center Capital Improvements Contribution Grant shall be made to the Community Health Center Capital Improvements Trust in seven (7) equal annual installments, the first installment due upon the issuance of a building permit. The remaining payments, under either of the payment formulas set forth in this Section 26C-2.3(a), shall be due and payable on the anniversary of the first payment. All Community Health Center Capital Improvements Contribution Grants shall be made to the Collector-Treasurer of the City as custodian, pending acceptance of such payments for the Community Health Center Capital Improvements Trust by the City. All Community Health Center Capital Improvements Contribution Grants shall be credited against any amounts due to said Trust on account of any neighborhood impact excise which may be assessed by the City.

- b. Twenty percent (20%) of any Community Health Center Capital Improvements Contribution Grant shall be reserved for the neighborhood or neighborhoods where or adjacent to where the Project is located, as defined in the approved Development Impact Project Plan.

- 2. "Community Health Center Capital Improvements Trust", a Massachusetts public charitable trust to be created under the laws of the Commonwealth and administered by the Collector-Treasurer of the City as managing trustee or another trust, if passed by the Council and approved by the Mayor.
- 3. "Development Impact Project", any development in the City of Boston ("City") in which it is proposed to erect a structure or structures having a gross floor area (exclusive of all accessory parking garage space) in excess of one hundred thousand (100,000) square feet or to enlarge or extend a structure or structures so as to increase its (or their) gross floor area (exclusive of all accessory parking garage space) by more than one hundred thousand (100,000) square feet or to substantially rehabilitate a structure or structures having, or to have, after rehabilitation, a gross floor area (exclusive of all accessory parking garage space) of more than one hundred thousand (100,000) square feet; which structure or structures is (are) intended for an Institutional Use; and which development requires a variance, conditional use permit, exception, or zoning map or text amendment.

4. "Development Impact Project Plan", a plan for a project that is a Development Impact Project. The Plan shall set forth the proposed location and appearance of structures, open spaces and landscaping, proposed uses of the structure or structures, densities, projected number of employees, proposed traffic circulation, parking and loading facilities, access to public transportation, and proposed dimensions of structures, and may include proposed building elevations, schematic layout drawings and exterior building materials, and such other matters as the Director of the Boston Redevelopment Authority ("Authority") deems appropriate to his or her consideration of the proposed construction.
5. "Institutional Use", for the purpose of this Article an Institutional Use shall be defined as follows:
 - (1) in areas of the City to which Article 8 applies: Uses included in Article 8, Table 8-7, in Use Item Numbers 16, 16A, 18, 19, 20, 20A, 22, 22A, 23, and 24; and
 - (2) in areas of the City to which Article 2A applies: College or University Use, Hospital Use and Nursing or Convalescent Home Use, as defined in Article 2A (Neighborhood District Definitions).
6. "Public agency", a department, agency, board, commission, authority, or other instrumentality of the Commonwealth, or of one or more political subdivision(s) of the Commonwealth, or of the United States.
7. "Substantially rehabilitate", to cause alterations or repairs to be made, to a structure or structures, within any period of twelve (12) months, costing in excess of fifty percent (50%) of the physical value of the structure or structures. Physical value shall be based on the assessed value as recorded on the assessment rolls of the City as of January 1 next preceding the date of the application for Development Impact Project Plan approval.

SECTION 26C-3. Development Impact Project Requirements. No variance, conditional use permit, exception, or zoning map or text amendment for a Development Impact Project shall be granted or adopted unless the requirements of this Section 26C-3 are met. The requirements of this Section 26C-3 supersede those set forth in Section 26A-3 and Section 26B-3 only with respect to the amount of the payment (number of dollars per square foot of gross floor area in excess of 100,000 square feet) required for the Housing Contribution Grant and Jobs Contribution Grant, respectively, for any Development Impact Project to which this article applies.

The person or persons making application for a variance, conditional use permit, exception, or zoning map or text amendment to erect, substantially rehabilitate, enlarge, or extend a structure pursuant to a Development Impact Project Plan approval shall also have entered into an agreement with the Authority to make the following Development Impact Project contributions in the amounts specified paragraphs (a), (b), and (c) below.

- a) For each Institutional Use, a Community Health Center Capital Improvements Contribution Grant of two dollars (\$2.00) for each square foot of gross floor area in excess of one hundred thousand (100,000) square feet, shall be required. Uses, other than accessory parking, that are ancillary or accessory to, or subuses of, an Institutional Use, also shall be subject to the Community Health Center Capital Improvements Contribution Grant.
- b) For each Institutional Use, a Jobs Contribution Grant of two dollars (\$2.00) for each square foot of gross floor area in excess of one hundred thousand (100,000) square feet, shall be required. Uses, other than accessory parking, that are ancillary or accessory to, or subuses of, an Institutional Use, also shall be subject to the Jobs Contribution Grant. All provisions of Article 26B, other than the amount of the Jobs Contribution Grant set forth in Section 26B-3.1(a), shall apply to such Jobs Contribution Grant. Such provisions include, but are not limited to, the rate of payment for such Jobs Contribution Grant set forth in Section 26B-2(3)(a). Section 26B-2(3)(a) provides in relevant part that:

The Jobs Contribution Grant shall be made to the Neighborhood Jobs Trust in two (2) equal, annual installments, the first installment due upon the issuance of a building permit. The remaining payment shall be due and payable on the anniversary of the first payment.

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- (c) For each Institutional Use, a Housing Contribution Grant of two dollars (\$2.00) for each square foot of gross floor area in excess of one hundred thousand (100,000) square feet, shall be required. Uses, other than accessory parking, that are ancillary or accessory to, or subuses of, an Institutional Use, also shall be subject to the Housing Contribution Grant. All provisions of Article 26A, other than the amount of the Housing Contribution Grant set forth in Section 26A-3.2(a), shall apply to such Housing Contribution Grant. Such provisions include, but are not limited to, the rate of payment for such Housing Contribution Grant set forth in Section 26A-2(3)(b). Section 26A-2(3)(b) provides in relevant part that:

The Housing Contribution Grant shall be made to the Neighborhood Housing Trust in seven (7) equal, annual installments, the first installment due upon the issuance of a building permit. The remaining six (6) payments of the Grant shall be due and payable annually on the anniversary of the first payment.

- (d) For mixed-use structures in which one or more of the above uses are combined, the above requirements shall apply if the gross floor area devoted to any one or more of the uses shall in the aggregate exceed one hundred thousand (100,000) square feet.
- (e) The formula (amount and rate of payment) for the Community Health Center Capital Improvements Contribution Grant for Institutional Uses shall be subject to recalculation three (3) years after the effective date of this provision and every three (3) years thereafter. The Authority, after public notice and public hearing, where appropriate, shall make a recommendation to the Zoning Commission to amend the formula for the Community Health Center Capital Improvements Contribution Grant, based on a consideration of economic and community health care trends (including but not limited to, development activity, commercial rents per square foot, employment growth, and inflation rates). The resulting analysis will determine the changes in the City's needs for capital improvements to community health care centers and the continuing ability of new, large-scale Institutional development to assist in meeting the community health care needs of the City.
- (f) The Commissioner of Inspectional Services shall not issue any building or use permit with respect to any building, structure, or land within an area covered by a Development Impact Project Plan, unless the Director of the Authority has certified on the application therefor, and on each plan, drawing or specification filed with the Commissioner in connection therewith, that the plans have been subject to design review, and that the plans are consistent with the Authority-approved Development Impact Project Plan and that the applicant has entered into an agreement with the Authority, as provided in Sections 26C-2(3) and 26C-3(1).

2. The following are not Development Impact Projects and will not be subject to the Development Impact Project requirements:

- (a) Any structure or structures for which a building or use permit is lawfully issued before notice of hearing before the Zoning Commission has first been given respecting adoption of Article 26C, provided that construction work under such a permit is commenced

within six (6) months after its issue, and the work proceeds in good faith continuously to completion so far as is reasonably practicable under the circumstances: ---

- (b) Any building or structure for which construction or permanent financing has been secured before notice of hearing before the Zoning Commission has first been given respecting Articles 26A and 26B, as evidenced by an irrevocable written commitment of a lending institution or a recorded mortgage indenture, and by the borrower's bona fide payment of a loan commitment fee; or
 - (c) Any building or structure which is, or will be, wholly-owned by one or more public agencies.
3. Development Impact Project Plans approved pursuant to Article 26 prior to the effective date of Article 26C shall not be subject to the requirements of Article 26C.

SECTION 26C-4. Severability. The provisions of this article are severable, and if any such provision or provisions shall be ruled invalid by any decision of any court of competent jurisdiction, such decision shall not impair or otherwise affect any other provision of this article.

Appendix A

Beginning at the intersection of the southern bank of the Charles River and the centerline of Massachusetts Avenue and running southerly and southeasterly along the centerline of Massachusetts Avenue to the intersection with the centerline of Tremont Street:

Thence running northeasterly along the centerline of Tremont Street to the centerline of East Berkeley Street:

Thence running easterly along the centerline of East Berkeley Street and the West Fenn Street Bridge to the intersection with the centerline of Dorchester Avenue:

Thence running northerly along the centerline of old Dorchester Avenue to the intersection with the edge of land on the northwesterly side of Fort Point Channel:

Thence running northeasterly along the water's edge or the U.S. Pierhead Line, whichever shall be more inclusive, to the Metropolitan District Commission Dam at the mouth of the Charles River:

Thence running across the southerly side of the Metropolitan District Commission Dam and along the southerly bank of the Charles River to the beginning point at the intersection thereof with the centerline of Massachusetts Avenue.

Current Capital Need - Boston Community Health Centers

CAPITAL FACILITY NEEDS

Current Capital Expansion Costs

	<u>Total Costs</u>
Real Estate	\$ 4.1 million
Construction/Renovation	\$ 29.3 million
Related Equipment	\$ 4.8 million
Other Project Costs	\$ 3.0 million
Total	\$41.2 million

CAPITAL EQUIPMENT NEEDS

Capital Equipment Needs by Type

Primary

- Computers
- Medical Equipment
- Lab Equipment
- Telephone Systems
- Furniture

Secondary

- Copiers
- Vans
- Fax Machines

Capital Equipment Costs by Fiscal Year

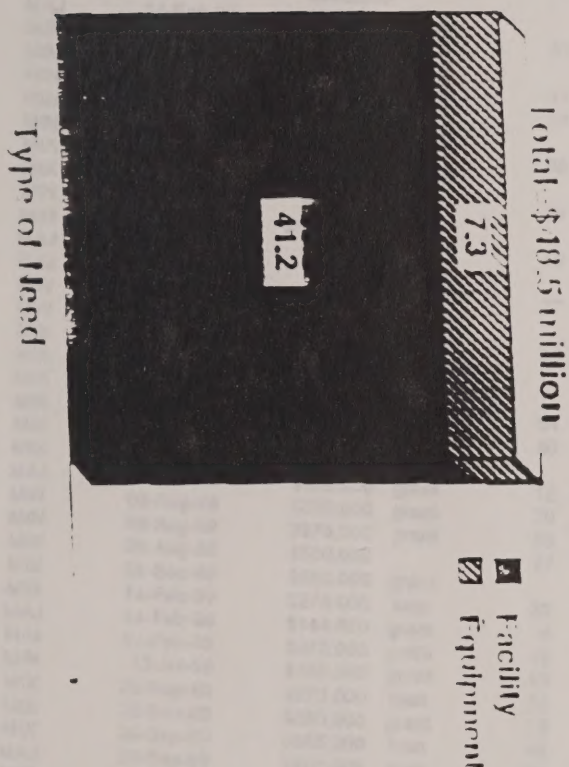
	<u>Current Respondents</u>	<u>Total CHC (Projected)</u>
• FY 93	\$ 1.6 million	\$ 2.0 million
• FY 94	\$ 2.0 million	\$ 2.0 million
• FY 95	\$ 1.6 million	\$ 2.4 million
Total	\$ 5.8 million	\$ 7.3 million

TOTAL CAPITAL NEED = \$ 48.5 million

Source: Capital Needs Survey conducted by the Mass League of Community Health C.

Source: Capital survey conducted by Mass League of Community Health Centers.

Total Need
- (in millions)



Total CHC Capital Need - Boston (1997-99)

LINKAGE AWARDS TABLE BY PROJECT

Project Name	Neighborhood	Finn Study		Date of Trust Vote	PV Amount	Type	Units	Aff Units	Totals AffUnit	DT Cont.
		Neighborhood Designation								
1	Fountain Hill	Roxbury	MIN	18-Dec-86	\$169,000	grant	46	18	\$9,389	Ingaills Bldg
2	Fountain Hill	Roxbury	MIN	14-Feb-89	\$281,000	grant			\$6,244	Hsg. Pmt.
3	Leighton Park	South End	MIX	16-Jan-87	\$765,465	grant	271	203	\$3,771	116 Hunt.
4	O'Reilly School	South Boston	MAJ	18-Jun-87	\$305,000	grant	32	32	\$9,531	Druker
5	180 Shawmut*	South End	MIX	16-Jul-87	\$1,221,736	grant	40	26	\$46,990	125 Summe
	Brick/Back	Mission Hill	MAJ	16-Jul-87	\$900,000	grant	165	105	\$8,571	745/CH
	Brick/Back	Mission Hill	MAJ	14-Feb-88	\$275,000	grant			\$5,392	Hsg. Pmt.
	Brick/Back	Mission Hill	MAJ	03-Apr-90	\$500,000	grant			\$4,762	Hsg. Pmt.
6	CEDC - Main Street	Charlestown	MAJ	16-Jul-87	\$116,000	grant	26	10	\$1,105	Bldg. 149
	CEDC - Main Street	Charlestown	MAJ	12-Jan-88	\$79,000	grant			\$19,750	Hsg. Pmt.
	CEDC - Main Street	Charlestown	MAJ	27-Jul-89	\$225,986	grant			\$22,599	Bldg. 149
7	Dacia*	Roxbury	MIN	16-Jul-87	\$615,000	grant	29	29	\$32,724	
	Dacia*	Roxbury	MIN	08-Aug-88	\$949,000	grant				75-101 Fed.
	Granite*	Roxbury	MIN	16-Jul-87	\$3,337,951	grant	938	938	\$3,559	125 High
8	Casa Esperanza	Roxbury	MIN	17-Jul-87	\$84,000	grant	25	25	\$3,360	Bldg. 149
9	Blue Hill Ave.	Roxbury	MIN	12-Jan-88	\$200,000	grant	12	12	\$16,667	Hsg. Pmt.
10	Brick/CNY	Charlestown	MAJ	12-Jan-88	\$210,000	grant	50	50	\$4,200	Hsg. Pmt.
11	Brick/CNY	Charlestown	MAJ	14-Feb-88	\$286,000	grant			\$5,720	Hsg. Pmt.
	Brick/CNY	Charlestown	MAJ	14-Feb-89	\$390,000	grant			\$7,800	Hsg. Pmt.
12	Brooks*	Roxbury	MIN	12-Jan-88	\$850,000	grant	57	43		
	Brooks*	Roxbury	MIN	28-Sep-89	\$1,246,000	grant			\$28,977	125 High
13	Dorchester Terrace	Mattapan	MIN	12-Jan-88	\$88,000	grant	11	11	\$8,000	Hsg. Pmt.
14	Infill I	Roxbury	MIN	12-Jan-88	\$370,840	grant	48	40	\$9,271	Hsg. Pmt.
	Infill I	Roxbury	MIN	14-Feb-88	\$525,434	grant			\$13,136	Hsg. Pmt.
15	Langham Court*	South End	MIX	12-Jan-88	\$1,313,000	grant	88	56	\$41,214	
16	Langham Court*	South End	MIX	28-Sep-89	\$2,308,000	grant				500 Boyl
	Lithgow*	Dorchester	MIN	12-Jan-88	\$850,000	loan	31	16	\$68,750	
	Lithgow*	Dorchester	MIN	28-Sep-89	\$1,100,000	loan				101 Arch
17	Monseigneur Lyons	South Boston	MAJ	12-Jan-88	\$220,000	grant	10	8	\$27,500	Hsg. Pmt.
18	Monseigneur Lyons	South Boston	MAJ	14-Sep-89	\$85,000	grant			\$10,625	Hsg. Pmt.
	Parmelee*	Roxbury	MIN	12-Jan-88	\$815,000	grant	77	51	\$20,725	500 Boyl
	Parmelee*	Roxbury	MIN	28-Sep-89	\$1,057,000	grant				
19	TDC 3	South End	MIX	12-Jan-88	\$40,000	loan	94	62	\$645	Hsg. Pmt.
	TDC 3 & 4*	South End	MIX	12-Jan-88	\$1,100,000	grant			\$17,742	Rowes Wharf
	TDC 3	South End	MIX	24-Jan-91	\$350,000	loan			\$5,645	Hsg. Pmt.
20	Roxbury Corners	Roxbury	MIX	14-Feb-88	\$1,175,000	grant	54	41	\$28,659	Hsg. Pmt.
21	Lancaster House	South End	MIX	13-Jul-88	\$300,000	loan	40	12	\$23,667	73 Tremont
22	Lancaster House	South End	MIX	28-Sep-89	\$284,000	loan				
23	SWC-2	Roslindale	MAJ	13-Jul-88	\$150,000	grant	12	4	\$37,500	73 Tremont
24	Boston CWLT	Roxbury	MIN	09-Aug-88	\$350,000	grant	70	51	\$6,863	75-101 Fed.
25	Lorne St.	Mattapan	MIN	09-Aug-88	\$975,000	grant	60	39	\$25,000	75-101 Fed.
	Taino Tower	South End	MIX	09-Aug-88	\$500,000	grant	27	18	\$27,778	150 Fed.
	Taino Tower	South End	MIX	28-Sep-89	\$650,000	grant				
26	Aud.Bak,Logue	Mattapan	MIN	14-Feb-89	\$275,000	loan	37	37	\$7,432	Hsg. Pmt.
27	Bridge	Allston-Brighton	MAJ	14-Feb-89	\$144,820	grant	6	6	\$24,137	Hsg. Pmt.
28	Garrison Trotter	Roxbury	MIN	14-Feb-89	\$375,000	grant	15	15	\$25,000	Hsg. Pmt.
29	Operation Food	Mattapan	MIN	13-Jul-89	\$150,000	grant	10	10	\$15,000	73 Tremont
30	1734 Lodging House	South End	MIX	28-Sep-89	\$270,000	loan	33	31	\$8,710	75 State
31	BHA	South End	MIX	28-Sep-89	\$350,000	grant	73	73	\$4,795	222 Berk
32	Bowditch School	Jamaica Plain	MIX	28-Sep-89	\$685,000	loan	45	45	\$15,222	75 State
33	Bowdoin St.	Beacon Hill	MAJ	28-Sep-89	\$850,805	loan	122	87	\$9,779	222 Berk
34	Urban Edge	Roxbury, JP	MIN	28-Sep-89	\$750,000	loan	211	201	\$3,731	75 State
35	438 Warren St.	Roxbury	MIN	29-Sep-89	\$255,000	loan	21	20	\$12,750	222 Berk
36	Cortes Street	South Cove	MIX	03-Apr-90	\$615,000	grant	48	44	\$13,977	Hsg. Pmt.
37	Hazel Parks Estates	Mattapan	MIN	03-Apr-90	\$1,472,800	loan	48	48	\$30,683	Hsg. Pmt.
38	57 Hemenway St.	Fenway	MIX	20-Dec-90	\$126,000	loan	14	14	\$9,000	Hsg. Pmt.
39	Hyde Square Co-Op	Jamaica Plain	MIX	20-Dec-90	\$603,000	loan	42	42	\$14,357	
40	Urban Edge	Jamaica Plain	MIX	20-Dec-90	\$998,000	loan	50	50	\$19,960	Hsg. Pmt.
41	Douglass Park	Roxbury	MIN	24-Jan-91	\$75,000	grant	155	33	\$2,273	Hsg. Pmt.
42	Winslow Court	Roxbury	MIN	24-Jan-91	\$144,000	loan	24	24	\$6,000	Hsg. Pmt.
43	Dorchester Bay EDC	Dorchester	MIX	24-May-91	\$1,095,183	loan	44	44	\$24,891	Hsg. Pmt.
44	Re-Vision House	Roxbury	MIN	24-May-91	\$50,000	grant	10	10	\$5,000	Hsg. Pmt.
45	Women's Inc.	Roxbury	MIN	24-May-91	\$86,000	loan	7	7	\$12,286	Hsg. Pmt.
46	S.B. CDC	South Boston	MAJ	27-May-91	\$1,153,667	loan	40	40	\$28,842	Hsg. Pmt.
47	CNY Building 104	Charlestown	MAJ	04-Jun-91	\$428,358	loan	46	46	\$9,312	Bldg. 149
	CNY Building 104	Charlestown	MAJ	05-Mar-93	\$106,642	loan			\$2,318	Bldg. 149
48	28 West Cottage	Roxbury	MIN	10-Oct-91	\$60,000	grant	4	4	\$15,000	Hsg. Pmt.
49	Thorndike Street	Roxbury	MIN	10-Oct-91	\$45,000	loan	3	3	\$15,000	Hsg. Pmt.
50	CAB	Roxbury	MIN	10-Oct-91	\$350,000	loan	11	11	\$31,818	Hsg. Pmt.
51	Oak Street Village	Chinatown	MIX	10-Oct-91	\$150,000	loan			\$2,500	Hsg. Pmt.
	Oak Street Village	Chinatown	MIX	16-Nov-92	\$1,175,000	loan	88	60	\$19,583	
52	Trinity	East Boston	MIX	10-Oct-91	\$418,170	loan	16	15	\$27,878	Hsg. Pmt.
53	Westland Ave.	Fenway	MIX	10-Oct-91	\$515,000	loan	63	63	\$8,175	Child. Hosp.
54	Lowell Square	West End	MAJ	23-Dec-91	\$340,000	grant	199	66	\$5,126	Hsg. Pmt.
55	253 Main Street	Charlestown	MAJ	16-Nov-92	\$100,000	loan	7	4	\$25,000	Hsg. Pmt.
56	Vinfen	Mattapan	MIN	16-Nov-92	\$14,900	grant	10	10	\$1,490	Hsg. Pmt.
57	Winston-Lucerne	Dorchester	MIN	16-Nov-92	\$1,200,000	loan	45	45	\$26,667	
58	Youthbuild	Roxbury	MIN	05-Mar-93	\$75,000	grant	13	13	\$5,769	Hsg. Pmt.
59	Habitat III	Roxbury	MIN	05-Mar-93	\$50,000	grant	8	8	\$6,250	Hsg. Pmt.
Total: 59 Projects					\$37,921,757		3881	3129	\$12,118	

Source: Boston Redevelopment Authority, Neighborhood Housing and Development, March 1993

MEMORANDUM

TO: Tom O'Malley, Asst. Director, Nghh Housing & Development
 FROM: John Avault, Deputy Director, P. D. R.
 DATE: July 28, 1993
 SUBJECT: Comparison of Housing Cost Inflation and Health Care Inflation in the Boston Area

Health care costs have far outstripped average consumer inflation over the past several years, and the rise continues unabated.

Housing costs, on the other hand, have moderated significantly over the past few years. Over the past few years, housing cost inflation was lower than the rate of overall inflation in the Boston Metro area.

Boston Area Inflation Rates
 annual rates over preceding 12 months

	<u>May 1993</u>	<u>May 1990</u>	<u>May 1986</u>	<u>May 1983</u>
Medical Care	6.2%	10.6%	8.5%	6.0%
Housing	1.8%	4.6%	2.4%	8.4%
All Items	2.9%	5.0%	2.3%	5.4%

Source: U.S. Dept. of Labor, Bureau of Labor Statistics
 Boston Metropolitan Area Consumer Price Index for all Urban Consumers (CPI-U)

MEMORANDUM

July 28, 1993

TO: BOSTON REDEVELOPMENT AUTHORITY AND
PAUL L. BARRETT, DIRECTOR

FROM: LINDA MONGELLI HAAR, ASSISTANT DIRECTOR FOR
NEIGHBORHOOD PLANNING AND ZONING
THOMAS O'MALLEY, ASSISTANT DIRECTOR FOR
NEIGHBORHOOD HOUSING AND DEVELOPMENT
CYNTHIA BARR, LAND USE COUNSEL

SUBJECT: ZONING AMENDMENT TO ADD ARTICLE 26C, COMMUNITY
HEALTH CENTER CAPITAL IMPROVEMENTS, TO LINKAGE
ZONING ARTICLES 26, 26A AND 26B.

SUMMARY: Staff submits the following proposals for consideration: (1) a petition to the Zoning Commission to adopt an amendment to the Zoning Code to add Article 26C which would amend the linkage allocation formula for institutional projects and would establish a Community Health Center Improvements Trust; and (2) a petition to the City Council to file a Home Rule Petition to amend the zoning enabling legislation to authorize such zoning amendment.

In 1983, Article 26 to the Boston Zoning Code was authorized by the Zoning Commission to provide for linkage funds from commercial and institutional development to be targeted to a Neighborhood Housing Trust fund for the creation of low and moderate income housing. For every square foot of development over 100,000 square feet, five dollars per square foot were to be placed in the Trust, or an equivalent value to be invested in the direct creation of affordable housing. For the monetary contribution option, the payments were required to be in twelve equal annual installments. In 1986, Article 26A authorized that, for projects in the Downtown, the payments should be made over a seven year period, retaining the twelve year period for areas outside of the defined Downtown. In addition, Article 26B authorized in that same year that a Job Training Trust be established and that for every square foot over 100,000 square feet, \$1 be placed in this Trust in two annual installments.

At the time that linkage was established, there was a severe housing crisis in Boston. The Downtown economy was in the midst of unprecedented growth, and the neighborhoods of Boston were not sharing in the benefits of this growth. Rather, the pressure on the existing housing stock was driving up the cost of rental housing.

Rental housing was being converted to upper income condominiums. Inflated land acquisition costs and speculation were reflected in the high cost of newly constructed housing.

The housing linkage program was established in direct response to this crisis and has been highly successful. As of January, 1988, at the peak of Boston's Downtown development boom, thirty-two major projects had committed to pay over \$46 million in housing linkage. To date, 3,881 units of which 3,129 units are affordable housing have been built with subsidies of \$38 million (present value) from the Neighborhood Housing Trust.

Today, however, the housing crisis has been mitigated through a series of factors including lower interest rates and lower effective housing demand caused by prolonged recession, and while we will continue to rehabilitate and build new decent, affordable housing, the needs which existed in the 1980s no longer exist. In addition, linkage funds generated at the City level cannot by themselves produce new housing units. Despite the availability of linkage funds, projects are unable to obtain financing and proceed to construction.

It also should be recognized that inaccessibility to decent housing is only one symptom of poverty, and the effects of poverty must be addressed in a number of ways. Job training and community health care are critical issues for Boston's residents. When the Jobs Training Trust was established, it was a next step after housing linkage in addressing the well being of Boston's residents. Access to decent jobs and job preparedness directly affect a family's or individual's quality of life.

The health care industry in Boston employs approximately 75,000 individuals, in excess of 11% of all employment. Five of our eleven largest employers are health care institutions -- Mass. General Hospital, Brigham and Women's, Beth Israel, New England Medical Center, and Children's Hospital. These hospitals will continue to grow and generate new jobs over the course of the next decade. Currently, more than 40% of all hospital employees are Boston residents, but almost 80% of them are in entry level jobs.

At the same time that our teaching hospitals are expanding and creating these important jobs, Boston residents must be properly educated and skilled to fill them, and be able to advance in their positions over time. During the next five year period, more than 13,000 new permanent jobs will be created in the health care industry. While the City pushes these institutions to hire Boston residents, we must provide training and educational opportunities so that they are prepared for these jobs and can advance. Increased job training linkage funds can assist in these efforts.

What has not been included at all in the formula to link development to the basic needs of Boston's residents is community health care. As we move through the decade of the 1990s, all signals point to the need for a strong network of community-

based health centers to provide adequate health care to all of our citizens. While our major teaching hospitals are expanding their physical plants, very few are increasing their in-patient bed capacity, and several are actually decreasing their number of beds. At the same time, the average in-patient stay is decreasing in most hospitals across the City. These trends require and will continue to necessitate increased out-patient services and demands on the community-based health care system.

In addition, institutional development projects have a particular effect on the cost of health care. When a hospital expands, for instance, the cost of such expansion must be recovered through patient fees. It is because of this relationship that the state requires a Determination of Need process to certify that the costs are necessary and justified.

Low and moderate income persons in Boston already are struggling to afford health care. According to the 1990 Census, 18.7 percent of people in Boston were living below the poverty level compared to 8.3 percent in the Metropolitan Region and 8.9 percent in the state. When health care costs rise, these households are burdened further and must rely on the community health care system.

The new Administration in Washington will be sensitive to the operating needs of our neighborhood health centers, and will likely provide increased funding for operations, staffing and equipment, while our teaching hospitals, including Boston City Hospital, are working to create strong ongoing relationships with our neighborhood health facilities. As we continue to develop these stronger relationships between Boston's hospitals and our neighborhood health centers, we must turn our attention to their capital improvement needs. Boston's community health centers have estimated that a total of \$41 million is needed to fully achieve its capital improvement needs. Despite state, federal, and foundation funding of operational needs, these sources do not provide funds for capital improvements. As a result, other sources must be found.

The proposed Article 26C recognizes the need to provide for capital improvements to the City's community health care centers and to increase funding for job training. It also reaffirms the relationship between large-scale development and housing. Specifically, Article 26C would establish a Community Health Center Capital Improvements Trust and require that large-scale institutional projects in the City make payments for every square foot over 100,000 square feet as follows: \$2 for housing, \$2 for job training, and \$2 for community health center capital improvements. This formula does not increase the total linkage payments of \$6 that would be made under Articles 26, 26A and 26B, but only reallocates the funds.

The state legislature, in Chapter 371 of the Acts of 1987, already has recognized the relationship between large-scale real estate development and the availability of housing and jobs for low and moderate income residents in Boston. We are requesting that the state also recognize the relationship between development and

community-based health center capital improvements by authorizing this amendment to the Zoning Code.

In light of the above discussion, the staff has prepared (1) proposed zoning Article 26C which would provide for a Community Health Center Capital Improvements Trust and reallocation of funds to job training; and (2) a petition to the City Council to file a Home Rule Petition to amend the zoning enabling legislation to authorize establishment of a Community Health Center Capital Improvements Trust and payments to this trust based on large-scale institutional development. Staff has submitted these proposals to the Board for review and consideration and recommends that they be taken under advisement.

The Massachusetts League of Community Health Centers and members of the Boston Conference of Community Health Centers have endorsed the proposed amendments to the Linkage Zoning Articles. Delegates from the League and members of the Boston Conference have met jointly to review the proposed amendments and the current status of community health centers as outlined in a position paper prepared by the Boston Conference.

An appropriate vote follows:

VOTED: That the BRA Board takes the following items under advisement: (1) the petition to the Zoning Commission to consider an amendment to the Boston Zoning Code adding Article 26C, which would establish a Community Health Center Capital Improvements Trust and amend the allocation formula for Development Impact Project payments for Institutional projects in substantial accord with the petition presented to the Board on July 28, 1993; and (2) a request that the City Council file a Home Rule Petition to amend the zoning enabling legislation (Chapter 665 of the Acts of 1956, as amended) to authorize such Zoning Code amendments.

